

3/27/56

NOTES FOR CIA ACT AMENDMENT

Sec. 9. For purposes of determining eligibility and computing annuities under the Civil Service Retirement and Disability Act, (a) the basic life annuity of each full-time employee of the Agency who is a United States citizen, shall be increased by one-half percent of average salary for each full year of civilian service in a foreign country, provided at least ten such years have been served with the Agency; and (b) each such employee may retire at any age after age 50 without annuity reduction for such early retirement provided (1) he shall have completed at least 20 years of civilian service, at least 10 years of which shall have been served in foreign countries with the Agency, and (2) the separation on which the retirement is based is involuntary separation, not for cause on charges of misconduct or delinquency, by action of the head of the Agency.

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This amendment would (a) provide a basic annuity increase equal to five percent or more of average salary for those who serve at least 10 years in foreign countries in the Agency, and this increment would be added to any basic benefit, regardless of retirement age or length of service, provided the employee is otherwise entitled to an annuity; and

(b) allow retirement after age 50 at full annuity, provided the employee had at least 20 years' total civilian service subject to the Act of which at least 10 years must have been in foreign countries for the Agency, and provided the retirement is involuntary by action of the Agency Director, and not optional on the part of the employee.

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The 10 year foreign service minimum would thus require a substantial career commitment before the increment would be payable. Early retirement would not be required to qualify - thus placing the Agency in a competitive position with the FSO and USIO on this point. The latter earn a two percent unit for every year of service whether in this country or abroad, and an increasing portion of their time is being spent in this country.

The Agency's need for early retirement is met by requiring the retirement to be involuntary at any age after age 50, provided the employee has a total of 20 years' service, 10 of them in foreign countries. This approximates the age and service requirement in the FSO, FBI and military, none of which are actually subject to the special conditions underlying their early retirement for much more than half the elapsed time of their careers. The requirement of involuntary separation is not included in the FSO, FBI systems, but was recommended by the Committee on Retirement Policy as a condition for early retirement and for special benefits.

The Agency would thus retire 20-year employees on a 35 percent annuity, after age 50, whereas the FSO, FSIO, FBI group would receive a 40 percent annuity. At age 60 with 30 years' service, 10 years abroad, the annuity would be 50 percent instead of FSO 60 percent and general civil service 45 percent.

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